

Message Text

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PAGE 01 SEOUL 02011 290533Z

17

ACTION XMB-07

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 /089 W

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R 290434Z MAR 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 3089

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FOR EXIMBANK

EO 11652 N/A

TAGS: BMEP, KS

SUBJECT: INCHON III POWER PLANT

REF: SEOUL 1556

1. IN RESPONSE TO REFTTEL, WHICH INDICATED ROKG READINESS TO USE EXISTING EXIM CREDIT FOR INCHON III THERMAL PLANT, WESTINGHOUSE SENT TEAM TO KOREA TWO WEEKS AGO. TEAM REPORTS IT HAS BEEN STIMIED IN ATTEMPT TO REOPEN NEGOTIATIONS WITH KOREA ELECTRIC COMPANY (KECO). THEY HAVE ONLY BEEN ABLE TO MEET WITH KECO VICE PRESIDENT WHO WAS UNRESPONSIVE TO WESTINGHOUSE OFFER TO DISCUSS COMPARATIVE ECONOMICS OF FRENCH AND U.S. OFFERS. WHOLE MATTER WILL APPARENTLY SIT UNTIL DEPUTY PRIME MINISTER RETURNS FROM PARIS NEXT WEEK AND HAS TIME TO RECONSIDER TANGLED CIRCUMSTANCES OF EXIM CREDIT TO KECO, KECO LETTER OF INTENT TO FRENCH, AND WESTINGHOUSE READINESS TO PRICE COMPETITIVELY.

2. EMBASSY COMMENT: KECO PRESIDENT APPARENTLY INSISTING ON TWO POINTS. FIRST, THAT KOREAN COMMITMENT TO FRENCH TOO FAR ADVANCED FOR RECONSIDERATION. SECOND, THAT DURING RECENT VISIT OF TEAM HEADED BY DIRECTOR CLARK, EXIM

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PAGE 02 SEOUL 02011 290533Z

HAD EXPRESSED WILLINGNESS TO CONSIDER APPLICATION OF

EXISTING EXIM CREDIT TO ANOTHER PROJECT, POSSIBLY KORI II NUCLEAR,
ON WHICH EXIM FUNDING ALREADY BEING SOUGHT.

3. IF EXIM WERE TO TAKE POSITION THAT 6 PERCENT CREDIT FOR
INCHON III (ON WHICH ROKG HAS ALREADY PAID HALF MILLION
DOLLAR COMMITMENT FEE) CANNOT BE USED ELSEWHERE, ARGUMENT
THAT ROKG HAS NO CHOICE BUT TO GO AMERICAN ON INCHON III
WOULD BE STRONGLY REINFORCED. WITHOUT SUCH AN EXIM DECISION,
WE BELIEVE THERE IS STRONG POSSIBILITY THAT, DESPITE DPM'S PRE-
VIOUS ASSURANCE TO THE COMTRARY, INCHON III AS WELL AS
INCHON IV WILL BE LOST TO FRENCH.

4. REQUEST EXIM ADVICE SOONEST.
HABIB

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: THERMAL POWER PLANTS, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SEOUL02011
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740069-0062
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974033/aaaaacxa.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: SEOUL 1556
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 26 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 APR 2002 by shawdg>; APPROVED <30 JUL 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INCHON III POWER PLANT
TAGS: BEXP, ENRG, KS, XMB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005